

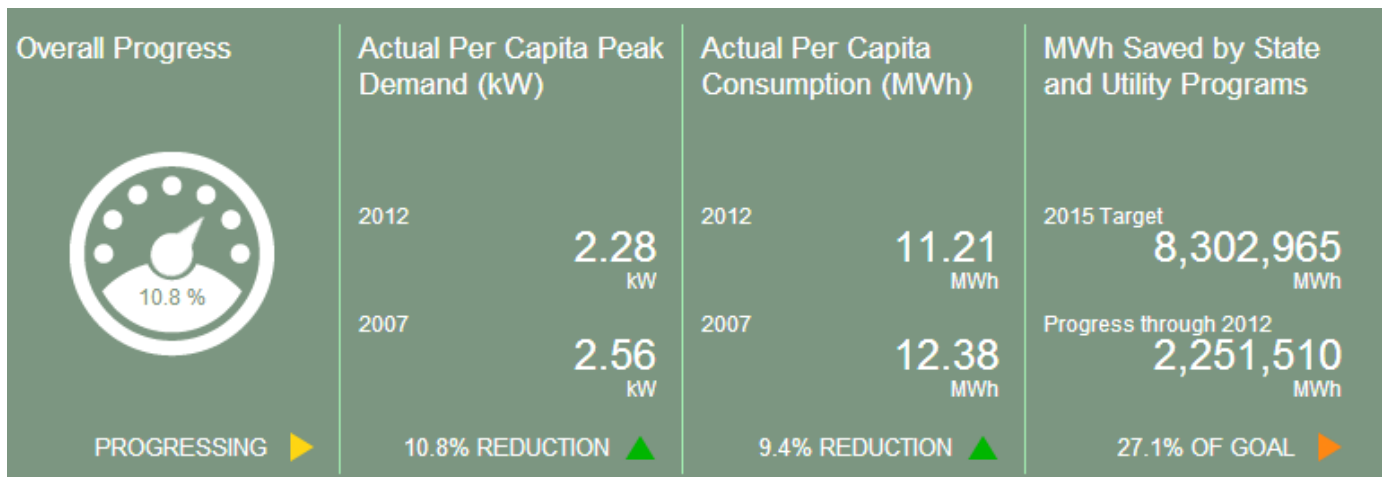
## Meeting Summary

Following is a summary of issues discussed at the DGS Stat on February 18, 2014. Analysis is provided by StateStat.

### **Strategic Goal: Reduce both Per Capita Peak Demand and Per Capita Electricity Consumption in Maryland by 15% by 2015**

- **Maryland on track to reach its 2015 electricity reduction goals.** Since 2007, we've driven down actual per capita electricity demand 10.8% from 2.56 KW to 2.28 KW. Since 2007, we've also driven down actual per capita electricity consumption 9.4% from 12.38 MWh to 11.21 MWh.

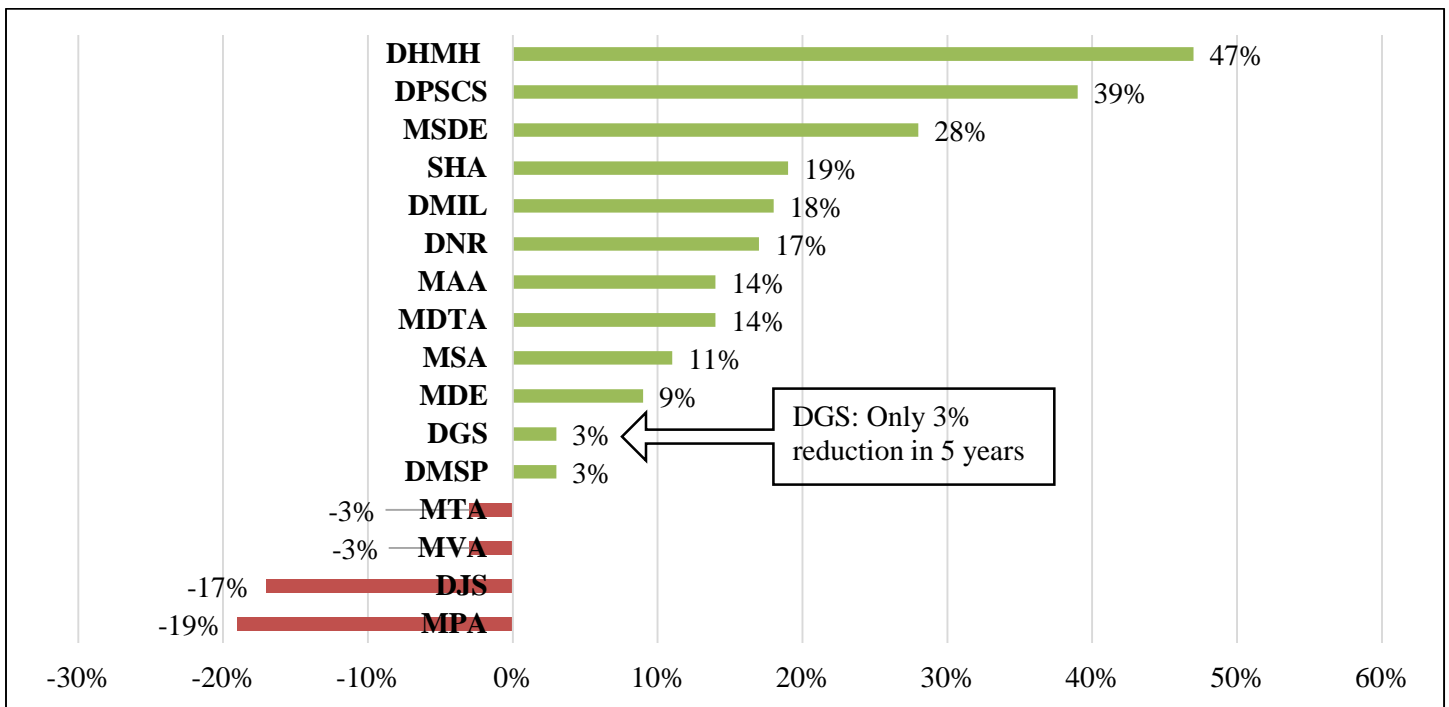
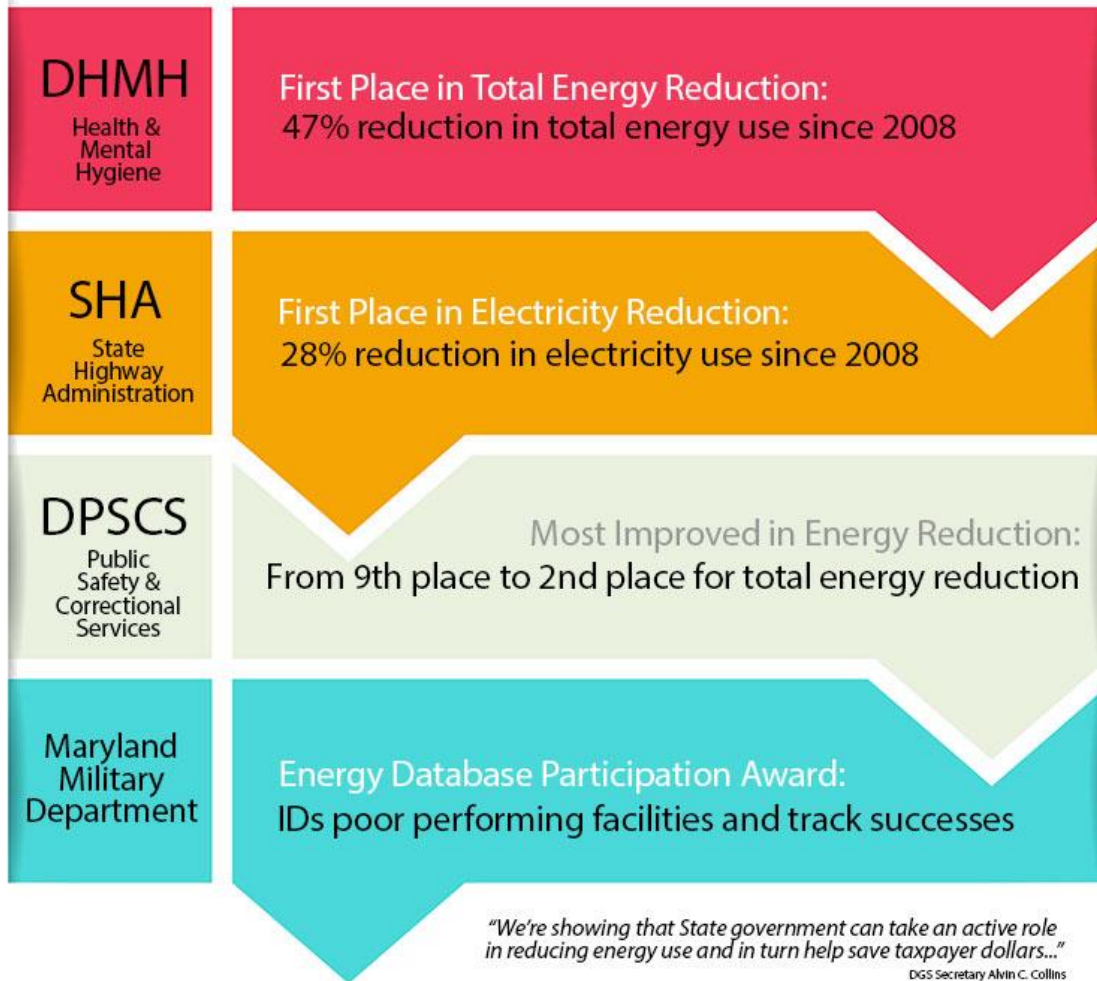
Through Energy Performance Contracts (EPC), behavior change, and other retrofits, the State has reduced its electricity use by 6.7 percent and its overall energy use by 8.7 percent between 2008 and 2012. DGS reported that with the State's preliminary 2013 energy reductions we have reduced our total energy use by 11 percent between 2008 and 2013. DGS reports that we are on track to meet our 15 percent reduction goal by 2015.



- **DGS hosted their annual Maryland Energy Cup on February 6<sup>th</sup>.** Agency energy use is publicly tracked through the State Energy Database, which is a web-based system. 16 agencies, which account for 80 percent of the State's energy use, are ranked each year in the Agency Energy Competition. This year, DGS held an awards ceremony for the first time to honor the agencies doing the greatest work to drive down energy use. The awards were presented on the 6<sup>th</sup> in the Miller Senate Building; Governor O'Malley spoke at the Ceremony. DGS reports that the ceremony was well attended with audience members including representatives from Maryland's state agencies, faculty and staff from Maryland's research universities, advocates and members of the media.

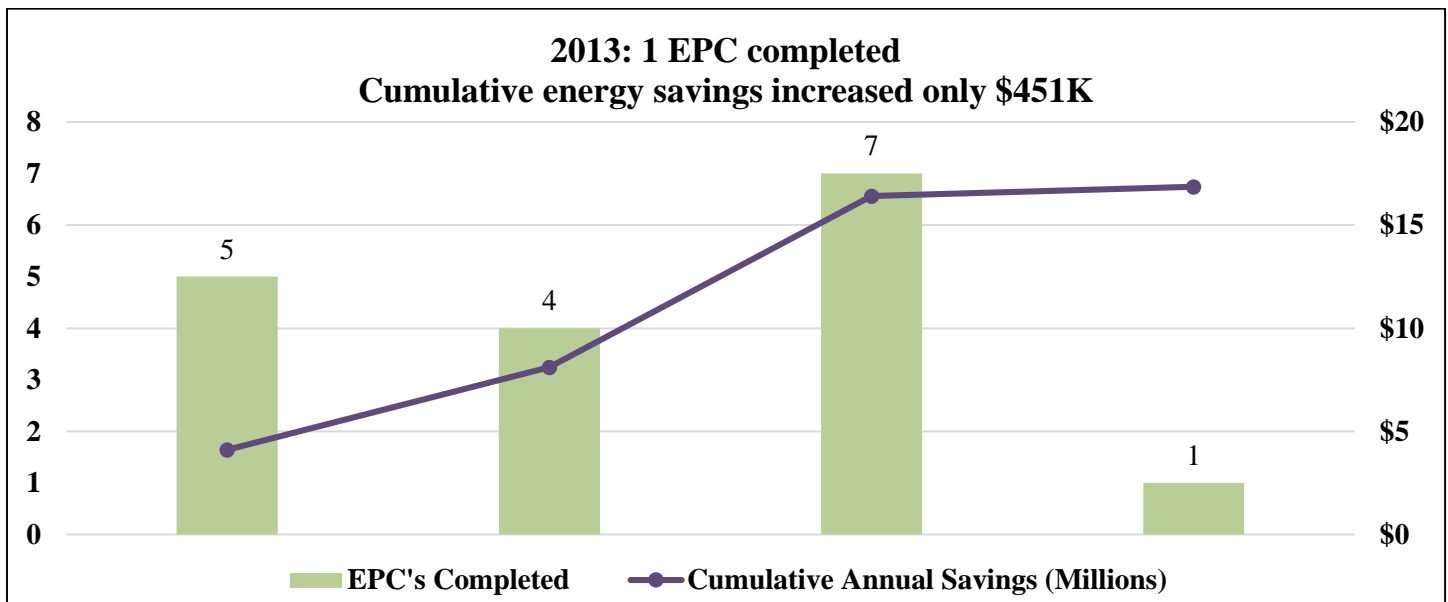
**StateStat noted that DGS has only driven down their energy use by 3% since FY08.** DGS reports that maintaining State Center has been a challenge for the Department in regards to driving down electricity and energy use due to its size and age. The Department reports that they just released a RFP for *optimized* maintenance of the Central Plant at State Center. The selected contract must keep energy use at or below current levels and regularly report on their efforts to drive down energy use.

# Winners of the FY 2013 Maryland Energy Cup:



- **Only one Energy Performance Contract was completed in 2013.** In 2012, the state completed 7 Energy Performance Contracts (EPC) covering 284 buildings, parking lots, toll plazas, etc; in 2013, only one EPC was completed to date at Bowie State. There are currently 17 outstanding EPC's including 9 projects at higher education institutions. DGS reports that they do not manage the University System of Maryland's (USM) EPC's. To the best of the DGS' knowledge, all contracts are still outstanding due to financing issues as discussed.

DGS reported that the EPC delay was caused by the unexpected loss of the Director of Energy. A replacement Director (Lauren Buckler) was hired in August. Despite Energy Office being now fully staffed, no EPC's are expected to be completed in 2014. The Department hopes to have at least one under construction, however, by the end of FY2014.



Outstanding Energy Performance Contracts: Non-Education			
Agency	No. of Buildings	Status	Expected Completion Date
Port Administration	50 buildings including World Trade Center	Contract modification going to BPW to complete project	4/30/2013
SHA- I	72 buildings (including shops/garages/salt domes, rest areas, etc) ,8604 sign lights	Facilities and Sign lights- Under construction	10/21/14
SHA- II	Traffic signals at 2160 intersection	Traffic signal not approved by SHA	
Motor Vehicle Administration		Phase I, 35% Submittal Review , Phase I Proposal Due 01/15/2014	
DHMH Holly Center		Phase I , 35% Submittal Review, Phase I Proposal Due 02/25/2014	
Department of Juvenile Services		Pre- Phase I Audit Evaluation	
Springfield Hospital		Pre- Phase I Audit Evaluation	
Thomas B. Finan Center		Pre- Phase I Proposal Due 02/05/2014	

- **DGS uses energy efficiency rebate programs to drive down state energy use; DGS has acquired more than \$5 M in rebates from BGE alone since 2009.** According to DGS, of the 5,000 State owned buildings, almost 1,000

have received lighting upgrades to energy efficient fixtures since 2008. Most of these upgrades were to more energy efficient florescent lighting rather than LED lighting due to the higher cost of LED bulbs. DGS reports that LED bulbs can cost five times the amount of florescent bulbs. LED fixtures have been more prevalent in the State's outdoor lighting projects, 6 outdoor lighting projects have been undertaken since 2008.

DGS reported at the last meeting that each of the major energy suppliers in Maryland offer rebate programs to drive down the costs of LED's and other green energy items. At the request of StateStat, DGS provided a list of the available rebate programs offered by BGE, Delmarva Power, Allegany Power/FirstEnergy, and Pepco- list is attached to this memo. Since 2009 the State has taken over \$5 Million in energy rebates from BGE for energy efficiency projects including lighting- list of projects is attached to this memo. In addition, the State has taken rebates from Alleghany, PEPCO and Delmarva, DGS has reached out to these entities for a similar report to BGE's.

- **DGS will consider MCEC as a funding source for future energy projects.** At the December meeting a representative from the Maryland Clean Energy Center delivered a presentation on their alternative funding process for clean energy projects. The Center uses private sector capital to pay for energy projects through 15-year bonds. The State currently finances clean energy projects through the State Treasurer's Office using public debt. Moving forward, DGS has agreed to give MCEC the opportunity to submit proposals for financing of future State Projects; DGS will assess MCEC's proposal against the cost of the STO's and take the proposal in the best interest of the State. DGS has also invited the STO to present on their financing method at a StateStat meeting; a representative from the STO will be at the March DGS Stat to present.

## 2014 Legislative Session

- DGS proposed the three following bills for the 2014 Legislative Session:
  1. **House Bill 14 - Small Business Reserve Program-Procurements by Designated Procurement Units:** the bill will require each State agency designated to participate in the SBR Program to designate procurements between \$15,000 to \$100,000 as SBR in order to increase statewide SBR expenditures and assist agencies in meeting the SBR program's spending mandate. The bill was submitted by the Chair of the Health and Government Operations Committee at the request of DGS and GOMA. It had its first reading in the Committee on January 8<sup>th</sup>.

DGS reports that there are over 6,000 SBR's enrolled in the system at the moment. DGS is working with MDOT and GOMA to certify all SBR-eligible MBE's.

Small Business Reserve Program Criteria
<p>To take advantage of the program, a business must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Is <b><u>independently owned</u></b> and <b><u>operated</u></b>;</li> <li>• Is <b><u>NOT a broker</u></b>;</li> <li>• Is <b><u>NOT a subsidiary of another business</u></b>;</li> <li>• Is <b><u>NOT dominant in its field of operation</u></b>; AND</li> </ul> <ul style="list-style-type: none"> <li>• The <b>wholesale operations</b> of the business did not employ more than 50 persons,</li> <li>• The <b>retail operations</b> of the business did not employ more than 25 persons,</li> <li>• The <b>manufacturing operations</b> of the business did not employ more than 100 persons,</li> <li>• The <b>service operations</b> of the business did not employ more than 100 persons,</li> <li>• The <b>construction operations</b> of the business did not employ more than 50 persons,</li> <li>• The <b>architectural and engineering services</b> of the business did not employ more than 100 persons,</li> </ul> <p><b><u>OR</u></b></p> <ul style="list-style-type: none"> <li>• The gross sales of the <b>wholesale operations</b> of the business did not exceed an average of \$4,000,000 in its more recently completed 3 fiscal years*;</li> <li>• The gross sales of the <b>retail operations</b> of the business did not exceed an average of \$3,000,000 in its most recently completed 3 fiscal years*;</li> <li>• The gross sales of the <b>manufacturing operations</b> of the business did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years*;</li> <li>• The gross sales of the <b>service operations</b> of the business did not exceed an average of \$10,000,000 in its</li> </ul>

more recently completed 3 fiscal years\*;

- The gross sales of the **construction operations** of the business did not exceed an average of \$7,000,000 in its most recently completed 3 fiscal years\*.
- The gross sales of the **architectural and engineering services** of the business did not exceed an average of \$4,500,000 in its most recently completed 3 fiscal years\*.

\* If a business has not existed for three years, the gross sale average is computed for the period of the business's existence. For newly formed businesses, the determination will be based upon employment levels and projected gross sales.

2. **LR100.DGS3 - Maryland Green Purchasing Committee:** the bill encourages the maximum purchase of environmentally preferable products and services by establishing specifications to be adopted by state agencies, requiring state agencies to submit environmentally preferable purchasing reports to the Department of General Services and mandate members of the Maryland Green Purchasing Committee.
3. **LR0045.DGS1 - State Capital Projects - High Performance Buildings:** this legislation would expand the definition of a High Performance Building to enable the use of a State-tailored version of the International Green Construction Code (IgCC) as an alternate compliance path for State building projects to meet the requirements of the State's High Performance Building Act. Current law only allows for the use of numerically based and scored green building rating systems such as the US Green Building Council's LEED rating system while the IgCC version would provide a code-based path to compliance.

### Green Purchasing

- **The Governor will not be issuing an EO regarding green purchasing.** As a result of discussions with the Governor's senior staff and representatives from several agencies it was decided that we will not move forward at this time with an EO regarding green purchasing. There are several actions DGS can take, and in some cases has already taken, to move green purchasing forward.

#### **2001 Water Conservation Executive Order**

- State facility water conservation will be phased-in, beginning with a usage reduction goal of 7% by 2003; 8% by 2005; 9% by 2007 and achieving 10% by 2010.
- All State-owned and leased facilities will submit to a water use audit, including an inventory of all water fixtures and other water devices. Follow up water audits will be required every year and flow meters will be used to determine compliance with water use goals.
- Each State agency will also be required to submit water conservation plans to the Maryland Department of the Environment (MDE) by October 1, 2001. The plans must include the purchase of water-efficient plumbing fixtures and appliances when new or replacement products are needed; the timely detection and repair of leaks in plumbing; and installation of efficient landscape design and irrigation techniques.

### 18-Month Plan

- **DGS is making progress on its 18-month plan.** At the request of the Governor's Office, each state agency involved in the Stat process was asked to provide summaries of milestones they hope to target in the next 18 months. StateStat will be tracking progress on these milestones at all Stat meetings. DGS is committed to achieving several significant milestones: relocating the Department of Housing and Community Development (DHCD) headquarters to New Carrollton, increasing energy savings within State government by turning underperformers into energy performers, and expanding the State's Green Purchasing and recycling efforts.
- **The contract for the new Cheltenham Youth Facility was awarded by the BPW on December 18<sup>th</sup>; "Notice to Proceed" granted January 6<sup>th</sup>.** The Cheltenham Youth Facility (CYF) originally opened in 1870. Located in Prince George's County, Cheltenham is a pre-adjudication center where youth await trial or permanent placement, an average period of about two weeks. It's a secure facility akin to a jail in the adult criminal justice system. CYF primarily serves male youth from Prince George's, Montgomery, Anne Arundel, Calvert, Charles and St. Mary's Counties. CYF provides dietary, medical, educational and counseling services as well recreational space. In addition to receiving services, youth residing at CYF attend school in the facility year round, five days a week for six hours a day.

The project involves the raising of a number of buildings on the existing Cheltenham site including the construction of a new 72-bed detention facility. The new 91,000 SF facility will contain housing, administration, admissions/release, somatic/behavioral health, food service, education, recreation, and visitation areas. Cheltenham is the first facility to be funded as part of a statewide effort to improve DJS' facilities. DGS received the "Notice to Proceed" on January 6<sup>th</sup>. DGS expects construction to be 50% complete by January 2015 and 100% complete by February 2016.

- **DGS is seeking a letter of intent to acquire part of the Claremont High School building in Baltimore City by the end of the month.** DGS reported at previous StateStat meetings that they are considering taking over the front of the Claremont High School building on behalf of DJS to serve as the Baltimore Regional Treatment Center; the back of the facility is used as a food warehouse by the City's school system. DGS met with the Baltimore City School Board at the end of January. The School Board expressed concerns with the project's timing. The Board had planned to move all students by the end of 2017; DGS is willing to purchase the property now and lease the facility back until 2017. A draft Letter of Intent was sent on January 24<sup>th</sup> and is expected to be finalized in the next 45 days.

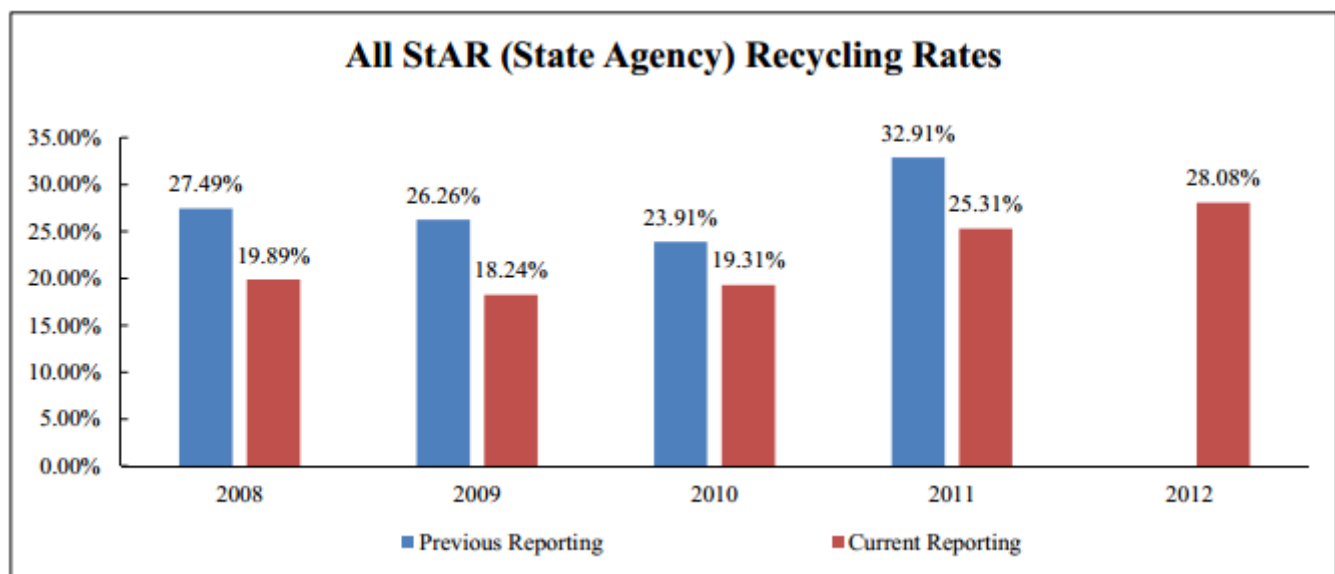
In 2013, Claremont High School had a record low enrollment of only 54 students. Claremont High serves special education students with a strong emphasis on vocational training and transitioning to adult life.

- **Pilot composting program at the State Center Cafeteria expanded to Dining Area.** To reduce waste and further expand recycling efforts, DGS entered into a pilot program to collect organic food scraps at the State Center cafeteria kitchen and turn them into compost. From September through December, when only food waste in the kitchen was being collected, an estimated 480 pounds of organic waste were collected per month.

The program was expanded to the State Center Cafeteria's dining area on Monday, January 13<sup>th</sup>. With the expansion to the dining area, DGS expects collection to increase to approximately 2000 pounds per month. DGS is working on the requirements for a new contract that would include organics recycling (multiple sites).

## Recycling

- At the November DGS Stat, the Department reported that several agencies had not reported recycling data to the Department for several years or were difficult to deal with in obtaining data: MDA, Judiciary, MDVA, Subsequent Injury Fund Board, General Assembly, Military and MEMA. MDE mailed these six agencies on December 6<sup>th</sup>.



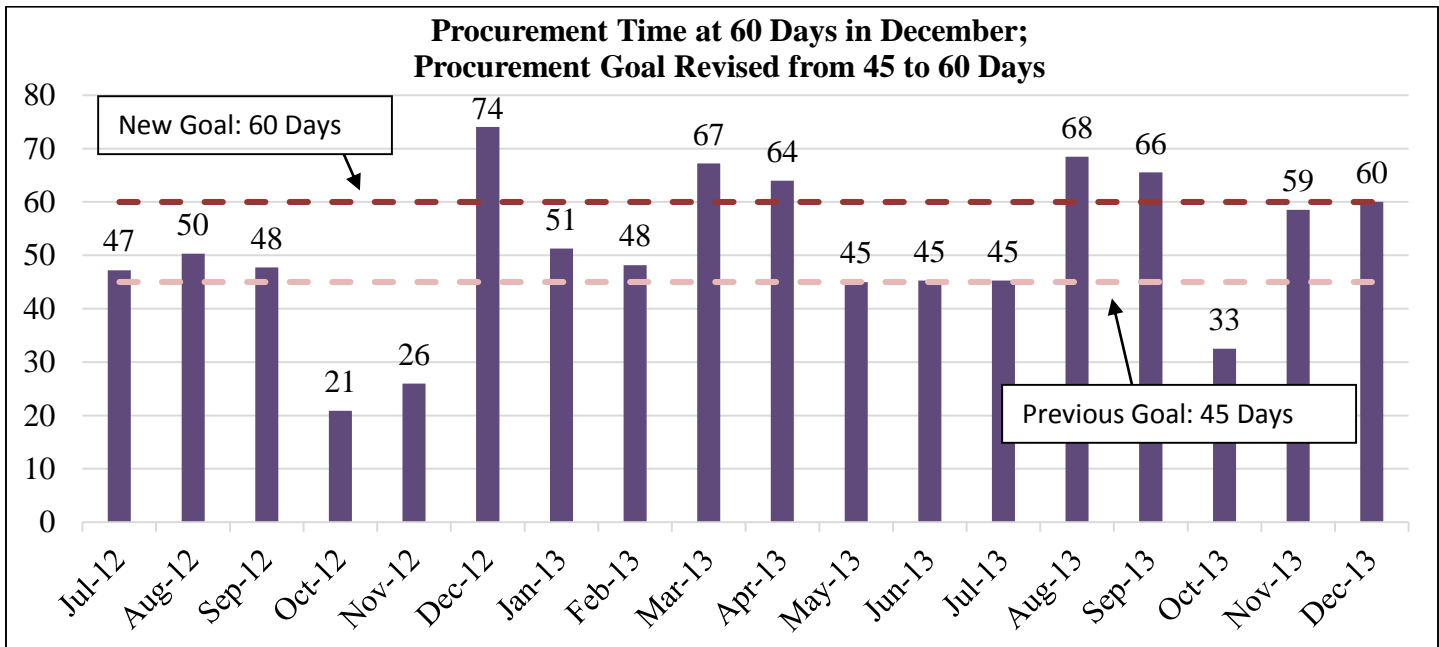
## Procurement

- **StateStat and DGS agreed to revise DGS' construction procurement goal from 45 to 60 days.** StateStat met with DGS Deputy Secretary Bart Thomas to discuss revising DGS' procurement goal for construction projects. The goal was originally set years ago at 45 days; current DGS leadership is unaware as to why the goal was originally set so

low. DGS presented a compelling argument outlining why the 45-day goal is impractical. One of the greatest delays DGS faces in the procurement process is the 30-day deadline to submit contracts to BPW: All items must be complete and the contract submitted at least 30 days in advance for a contract to be discussed at a BPW meeting. All projects over \$200,000 are required to go before the BPW; projects using capital funds must also go before the BPW the first time they are up for award.

StateStat has agreed to raise the procurement goal for all construction projects from 45 days to 60 days. DGS will continue to report monthly on their average procurement time and the goal will be re-evaluated at the end of the 2014 calendar year. **In December, DGS met the revised goal with an average time from bid to award of 60 days.**

Sample Construction Procurement Timeline: Roof Replacement at Hagerstown Correctional Complex		
Date	Action Item	Min. Time Required
7/22/13	Project Posted on eMM	COMAR: Min. 21 advertising days
8/05/13	Pre-bid Conference	
8/9/13	Addendum 1 issued	
8/14/13	Addendum 2 issued	
8/21/13	eMM Bid Opening	Evaluation: Avg. 5 days
8/22/13	SDAT Tax Verification	
9/3/13	Additional Information Requested from Bidder	
9/6/13	MBE Submitted for Approval	Avg. 10 days for review and response
9/26/13	PO Recommendation to Award Sent to PM	
11/6/13	BPW Date	All contracts must be submitted 30 days in advance to be considered for the BPW.
11/14/13	Contract Signed	



- **StateStat will also begin evaluating architecture and engineering procurement separately from construction procurement; goal for A/E set at 172 days.** Starting in January, DGS will begin reporting A/E projects separately from construction projects in their template. A/E procurement requires several additional steps including meeting and firm ranking by a Qualification Committee, two meetings and reviews by the General Professional Services Board (members appointed by the Governor), and price negotiations. The goal for A/E procurement will be 172 days. StateStat requested that the Department develop interim benchmarks to aid in tracking progress.

Architecture/Engineering Sample Procurement Timeline	
No. of Days	Action
1	Notice posted at EMaryland Marketplace and Daily Record

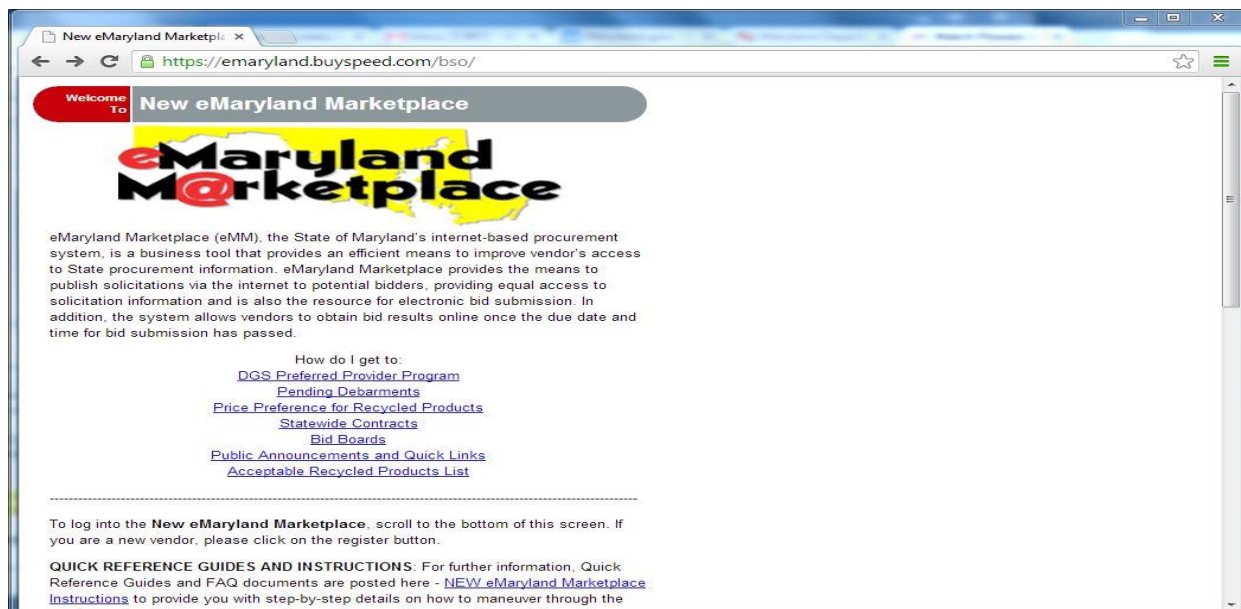


15	Letter of interest due- list closed
20	Site visit
34	Team data due
35-39	Qualification Committee meeting
36-38	Qualification Committee's report ranking the firms sent to Secretary for review
43	Ranking of all firms prepared
44-66	GPSSB (General Professional Services Selection Board)- Acknowledges Letter of Certification, establishes ranking of firms, and authorizes beginning of negotiations
51-73	Pre-proposal Meeting
65-87	Price proposal due
88-89	Price proposal evaluation
88-89	Preliminary negotiation meeting
119	Final negotiation meeting
120	Final price proposal due
125-142	GPSSB Meeting- Receive Negotiation Report for recommendation to BPW
155-172	BPW Meeting- Act on GPSSC recommendation

- **DGS has two remaining vacancies for Procurement Officers; new Director of Procurement and Logistics hired.** DGS reported that they have hired a new Director of Procurement and Logistics; the new Director will begin on Jan. 29<sup>th</sup> and will be present at the February DGS Stat. DGS has two remaining vacancies for Procurement Officer II's. DGS looked at the list of eligible PO II candidates from last summer; no viable candidates remained. DGS recently re-posted for these positions with a closing date of 1/24/14. DGS also reports that the two procurement personnel on extended sick leave have both returned to work.

### **eMaryland Marketplace**

- **The eMaryland Marketplace is poorly designed and outdated.** The eMaryland Marketplace is the State of Maryland's internet-based procurement system. Vendors can use the system to browse open bids, contracts and blanket orders and submit bids. StateStat has reviewed the website and noticed several design problems:
  - The web-site is not optimized to be viewed on a variety of screen sizes. The text and graphics do not adjust to fill different sized screens, as shown below.



- **Outdated Information:** The site contains outdated information about the "New SBR Criteria". It states, "Beginning October 1, 2012, the qualification to be certified as a small business in the Maryland Small Business Reserve Program will change."



**NEW SMALL BUSINESS RESERVE CRITERIA:** Beginning October 1, 2012, the qualification to be certified as a small business in the Maryland Small Business Reserve Program will change. You may view the new qualification criteria by clicking the link below:

[New Small Business Reserve\(SBR\) Qualification Criteria](#)

- Logo issues: The site is still described as the “New eMaryland Marketplace.” When was the “new” version launched? If it has been more than a year since the latest version’s launch labelling the site as “new” could cause confusion among users. Also the colors and styling of the logo do not match our standard styles.

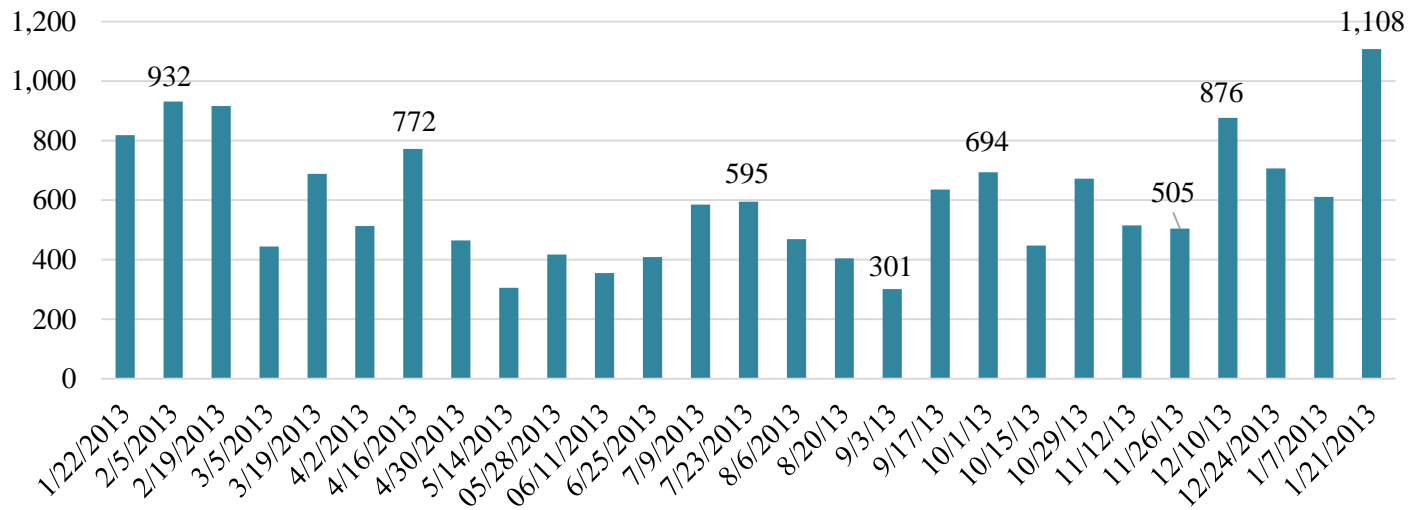


StateStat, the Department of Information Technology, and the vendor, Periscope, held a conference call in late February to discuss the website. DoIT and the vendor will work together to wrap the site in the new Maryland.Gov template. StateStat and DoIT will work together to create a new logo for the site.

#### **Facilities Operation and Maintenance**

- **Facilities, Operation and Maintenance overtime hours reached a 15-month high in December; up 81% from early January.** From January 8<sup>th</sup> to January 21<sup>st</sup>, DGS reported 1,108 overtime hours in Facilities Operation and Maintenance; **that’s equivalent to 138.5 full-time work days.** Overtime increased 497 hours from the previous two-week reporting period and is the highest since October 2012. What’s more- Facilities, Operations and Maintenance posted only 70.6 sick leave days during the same time period equivalent to 565 hours. In sum, staff filling in for sick colleagues only accounts for approximately half of the overtime hours accumulated in the two week period.

**1,108 Overtime Hours in Facility Operations & Maintenance in December  
Up 81% since Early December; Equivalent to 138.5 FTE Days**



**Facilities Operation and Mgmt, Overtime Breakdown 1/8-1/21/14  
Total for the 2-Week Period: 1,108 Hours**

